

FOLLOW THE MONEY

Where do our tax dollars actually go?



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Introduction

Empty promises, lies, and high taxes. Have Californians come to accept this state of affairs as normal?



In 1990, voters approved a gas tax increase. Politicians promised the tax would fund much needed repairs on city, county and state roads and infrastructure.¹ Instead, Californians came to experience roads that are among the nation's worst. In 2017, Sacramento once again raised gas taxes, then gave a misleading ballot title and summary to an initiative that would have repealed the increase.² With such a history of betrayal, should it be any surprise that on September 20, 2019, Governor Gavin Newsom issued an executive order redirecting the money to railways and programs designed to reduce automobile use?

If there ever was a time to consider a better approach, perhaps now is it. With economic losses from the COVID-19 virus impacting our economy, potentially resulting in major reductions in anticipated tax revenue, the politicians could be back yet again to request more of our hard earned money. Instead of approving such a request, why not examine their track record so far?

- Sacramento stole over \$330 million meant for distressed homeowners, which it was ordered to repay.³
- \$242 million in additional funding was given to the state DMV to alleviate their lack of preparation for Real ID, something they've known about for years. A separate proposal of an independent audit of the agency was rejected.⁴
- CSU schools hid over \$1 billion while lobbying for more funding and tuition hikes.⁵

With the Legislature planning to spend over \$200 billion for the third year in a row,⁶ California should be a beacon of opportunity. In actuality, California scored 49th in an opportunity ranking by *US News and World Report* measuring housing affordability, poverty, and inequality.⁷ Such a state of affairs is no doubt driving people out of California. In 2018, 190,000 more people left California than moved here.⁸

Follow the Money 2019 documents examples of waste, fraud, and abuse of your hard-earned taxpayer dollars, uncovered by media investigations, citizen watchdogs and state auditors. However, these are just the examples we actually know about. Could this only be the tip of the iceberg?

Bureaucracy

The Federal government's recent efforts to reduce taxes have only spurred Sacramento to double down on its pro-tax stance. After a scheme to collect taxes via charitable donations was quickly struck down by the Feds,⁹ Sacramento is once again considering a plethora of new taxes and fees, but the following examples of bureaucratic excess call into question their management skills.

\$7 million in overpayments to state employees

April 9, 2019

State Auditor Elaine Howle reported that California's new tax organization, the Department of Tax and Fee Administration, overpaid 25 workers by at least \$72,000.¹⁰ It was also estimated that overpayments to other department employees totaled \$500,000. The same audit also found overpayments to employees of the Assigned Judges Program, State Water Resources Control Board, California State University Police Department, and Caltrans, in total more than \$7 million.

We've hit the lottery ... of wasteful spending

April 10, 2019

The State Controller's audit team found "more than \$240,000 in unallowable costs and \$64,000 in questionable spending" by the state lottery.¹¹ Among them were \$131,832 for unnecessary travel, meal reimbursements and lodging, even when the location was six miles from employees' homes. Voters may recall Sacramento promised lottery profits would go to schools, so the victims of this wasteful spending are the taxpayers and their kids.

Overtime pay drives chiefs' pay over \$500,000

June 10, 2019

In 2018, Oakland's fire chief, police chief, and a civil engineer each made more than \$500,000, totaling \$1.6 million between them.¹² The Los Angeles County Fire Department and the Santa Ana Police Department reported similar payouts, with Santa Ana's police chief earning over \$525,000. These huge paychecks were driven by skyrocketing overtime. And such costs do have a human consequence. Santa Ana, a mainly working class city, had to raise taxes to afford labor costs, burdening many already-struggling residents.

Los Angeles Department of Water and Power security guard made over \$300,000 in overtime alone

June 11, 2019

As with the chiefs described above, overtime payments in Los Angeles agencies continue to explode.¹³ Overtime payments increased 993% for the LA Department of Water and Power, which paid its principal security officer over \$310,000 in overtime alone. It's no wonder a study found that LADWP's payroll expenses were much higher than other utility agencies, locally and nationally.



3000 local government employees made \$100,000+ in overtime

July 8, 2019

In 2011, 171 local government employees earned overtime of \$100,000 or more. By 2018, nearly 3,000 earned overtime of \$100,000 or more, a massive increase of 1,564 percent.¹⁴ Overall, California cities and counties spent \$4 billion on overtime, not including employees' base pay. In 2011, it was only \$2 billion. The driving factor of these exploding costs is government failure to properly plan for rapidly rising pension obligations. Instead of pushing for pension reform, agencies ask current employees to work more hours and pay them overtime to avoid new pension costs in the future.

Sacramento stole (AKA "redirected") \$331 million meant for distressed homeowners to pay off its OWN debt

July 18, 2019

As a result of a national settlement with banks including Bank of America, Citigroup, JP Morgan Chase, Wells Fargo and Ally Financial, California received \$410 million, with \$331 million dedicated to helping distressed homeowners through legal assistance and consumer education.¹⁵ Instead, then-Governor Jerry Brown and the Legislature used the money to pay off their own debts. Community groups sued and won. Governor Newsom appealed to the United States Supreme Court, which declined to take the case. However, because lawsuits are expensive, the appeal increased costs to taxpayers through added attorney costs.

San Francisco's 'Poop Patrol'

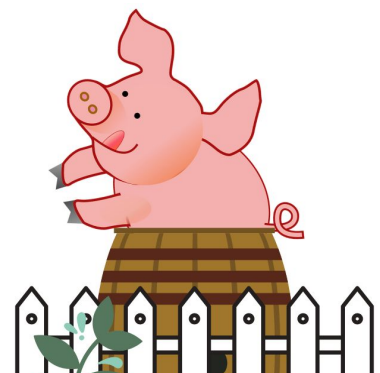
August 2, 2019

If you haven't had the pleasure of stepping over (or in) human feces in San Francisco, you didn't really get a real San Francisco experience. The city received 27,000 requests for feces pick-up in the last fiscal year alone due to a homelessness problem of such catastrophic proportions it has been cited as a human rights abuse by the United Nations.¹⁶ The city started the 'Pit Stop Program' to set up mobile toilets in areas of homeless encampments at a cost of \$200,000 per toilet, per year, mainly due to "staffing and overhead." The city pays the 'poop patrol' \$70,000 a year to record the number of flushes and to prevent the homeless from leaving needles in the toilets.

\$1.3 billion in pork barrel spending hidden in the Budget

August 7, 2019

Gov. Newsom's 2019-2020 budget totalled \$215 billion.¹⁷ A total of \$1.3 billion of this was described by a *California Globe* report as pork-barrel spending, never approved by taxpayers. Among the questionable spending items were a dog park, a sculpture garden, and other local projects that state taxpayers shouldn't be funding. Furthermore, legislators gave out millions to organizations in their districts, sometimes presenting the funds with huge checks in extravagant ceremonies, as if these tax monies were personal donations.



California DMV: \$242 million to alleviate failure to prepare for "Real ID." \$50 million from selling motorists personal info. Legislature rejects audit.

August 20, 2019

The California DMV's failure to properly prepare for the launch of the national "Real ID," despite years of advance warning, led the Legislature to approve over \$242 million in new funding for the agency.¹⁸ And despite numerous examples of corruption and waste at the California DMV, the legislative majority blocked a proposal to audit the agency. Later in the year, the agency was exposed by *VICE* for making \$50 million a year selling motorists personal information.

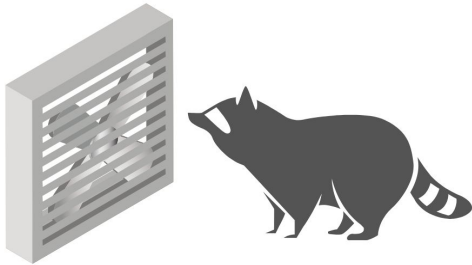
The fair has never been more unfair — \$318,000 misspent

August 21, 2019

In an audit appropriately titled: “Gross Mismanagement Led to the Misuse of State Resources and Multiple Violations of State Law,” state Auditor Elaine Howle found \$318,000 in misspent county fair funds between 2016 and 2018.¹⁹ Over \$30,000 for “excessive and unauthorized travel expenses,” lavish dinners, drinking on public property, and using a state car for personal use were among the incidents documented by the Auditor. The fair has never been more unfair.

Over \$1 million to leave the air conditioning on in an empty building!

September 29, 2019



Alameda County Jail is completely empty and the county is looking to repurpose the building.²⁰ However, they left the A/C on, costing taxpayers \$83,000/month, or nearly \$1 million a year. Officials said they weren’t told the cost would be so high. Taxpayers may continue to foot the bill until the Supervisors can agree on what to do with the facility.

No work, no proof, paid \$54,750 by Los Angeles County

October 1, 2019

When LA County’s head of the Planning Department announced he was stepping down, the city awarded him a three month contract (at \$18,250 a month) to continue his duties as needed until the position was refilled.²¹ The *Los Angeles Times* asked for evidence of what he was working on during the time of his contract. The Mayor’s office said they would comply but later announced they had nothing to turn over to prove his work. Critics claimed the actual terms of the former employee’s departure was a “no show, no work” agreement to pay him to quietly leave the department for illegally lobbying city officials, for which he admitted his guilt.

State Agencies overpaying millions in worker’s comp insurance

December 9, 2019

An investigation conducted by the Auditor at the request of the Legislature found numerous agencies are bypassing procedures that could reduce their worker’s comp insurance costs.²²

Thirty-two agencies were found to be purchasing insurance directly from the State Fund, and consistently paying higher premiums, for an estimated cost to taxpayers of \$20 million in 2017-2018.

Oakland pays disability pensions to non-disabled, currently working former employees

January 22, 2020

In 2014, Oakland promised to investigate why a non-disabled FBI agent who was a former city police officer was being paid a disability pension from the city.²³ The investigation found that the city's disability pensions for law enforcement are taxpayer funded and 20 percent of Oakland's budget goes to pay for pensions and retirement costs. The FBI agent was only 31 when he retired from the police force. According to Oakland, taxpayer funded disability pensions are paid to "those in "excellent physical condition" working in a similar job elsewhere". A watchdog is currently suing the state retirement system to release information regarding how many cases like this there are across California.

Former CalPERS investment manager's pension above \$400,000

February 17, 2020

After one of the investment managers for the California Public Employees' Retirement System announced his retirement in 2018, CalPERS paid him an annual pension of \$418,600.²⁴ This is the first time a CalPERS pension topped \$400,000.

Education

Governor Newsom's proposed 2020-2021 state budget dedicates \$77.2 billion, or 53 percent of the budget to education.²⁵ However, Sacramento and pro-tax interests insist this is still not enough, arguing more taxes are needed to increase total funding.

Los Angeles voters last year rejected such an argument, denying Los Angeles Unified School District's attempt to increase taxes, despite heavy spending by proponents.²⁶ Statewide, voters also rejected the March 2020 Proposition 13, a \$15 billion school bond.²⁷ Spiraling pension costs, high administrative salaries, costly lawsuits, and a lack of accountability combine to compound the severity of the situation.

Where does San Diego Unified find these principals? They should be fired ...

April 2, 2019

After an investigation by the San Diego Unified School District proved a high school principal faked a Ph.D, engaged in sexual harassment, and created a hostile environment, the school district moved him to the district office and paid him not to tell anyone.²⁸

After 17 months at the office, making \$143,000 a year, the district paid him another \$110,000 to quit and agreed not to tell any possible future employers of any wrong-doing or issues with his employment. Unfortunately, this is not the only example of its kind at this school district. Another principal was transferred to the district office after covering up sexual abuse at an elementary school; and yet another was transferred after embezzling \$200,000 in donations.

San Francisco City College overpays some employees and underpays others

May 15, 2019

An internal audit found that the San Francisco junior college overpaid some employees, totaling \$5.4 million; while underpaying other employees, totaling \$5.7 million.²⁹ To make matters worse, employees who were owed money knew nothing about being paid less than they should have been when the *San Francisco Chronicle* contacted them.

Charter school founder jailed for embezzling \$3.2 million in taxpayer money

May 20, 2019

The founder of a Los Angeles charter school was sentenced to two and a half years in prison for embezzling \$3.2 million of public, taxpayer money.³⁰ Funds that were supposed to go to the maintenance and operation of Celerity Charter School were spent on lavish clothes, lobster dinners, luxury hotel rooms, and about \$8,000 on two tickets to President Obama's second inauguration. The embezzlement had been on-going since 2009 and the investigation started in 2012.

San Luis Obispo schools misspend developer fees

June 5, 2019

A grand jury investigating how schools spend developer fees found that several San Luis Obispo school districts might have illegally misspent the funds.³¹ These fees are given to the schools by

developers to be spent on construction or reconstruction of physical school property. Many local schools were found spending the funds on general maintenance and operations.

CSU hides extra \$1.5 billion while raising tuition, lobbies for more taxpayer money

June 20, 2019

In an audit conducted by state auditor Elaine Howle, it was found that the California State University hid \$1.5 billion in an outside account to spend on operating costs, while hiking up tuition costs almost yearly and lobbying the Legislature for more funding in the general state budget.³² CSU has nearly doubled tuition from 2008 to 2018 and the funds collected by the university are supposed to be kept in the Treasury, not in an outside account.

California schools misspend billions of dollars meant for needy students

December 4, 2019



For over six years, California has given funds to schools specifically to be spent for students in three categories: English learners, low-income, and students in foster care.³³ Instead, the State Auditor found the money is being spent on general operations, raising questions about accountability and the effect such abuses have on students' performance.

Failure to provide equal access to literacy education results in \$50 million legal judgement

February 20, 2020

California will be giving out \$50 million to needy schools to settle a court case in which the state was found to have been failing to provide equal access to low-income students for literacy education.³⁴ The money will be divided between 75 elementary schools where third graders perform the worst in reading comprehension. Perhaps this judgement could have been avoided had better accountability measures been in place to ensure this state of affairs had not occurred in the first place.

Hidden bonus for developers in school bond ballot measure

February 24, 2020

The Legislature placed a \$15 billion school bond on the March 3, 2020 ballot, ostensibly intended to upgrade school facilities. However, hidden in the proposal was a provision that also

waived school fees for developers of projects near subway stops and bus stations.³⁵ While the measure was defeated by voters, this provision, which would have shortchanged schools of funds, also contributed to proponents' raising over \$1 million in contributions from construction interests who would have reaped the benefits.

Environmental

While ensuring the natural beauty of our state is a priority for all Californians, there is some disagreement on what needs to be done and how. In typical fashion, Sacramento enthusiastically embraces policies that maximize taxes and regulations. Such an approach is vulnerable to waste and mismanagement. Nevertheless, our political leaders continue to rush forward without the proper due diligence.

\$1.5 million to study ban on gas powered cars

June 15, 2019

Of the \$222 billion 2020-2021 state budget, a little discussed appropriation was added to fund a \$1.5 million study to see what it would take to ban gas powered car sales in the coming decades.³⁶ Assemblyman Philip Ting (D-San Francisco) has introduced bills to ban such car sales by 2040 before, but they never made it to a committee hearing due to objections on both sides. Is such a ban a realistic concept to spend \$1.5 million studying? Pure electric cars are currently just 5 percent of new vehicle sales in California, despite generous subsidies.

\$2.4 million for climate change themed art program

November 13, 2019



Can you think of anything more beneficial than spending \$2.4 million to commission six artists to produce and collect climate change-themed art to be kept at the new California Air Resources Board's Southern Headquarters in Riverside?³⁷

Maybe a better question would be: "Is there ANYTHING that is NOT a better use of the money?"

Sacramento wants a \$1 billion loan for climate change

February 13, 2020

When Governor Newsom proposed a \$1 billion loan to fund projects to fix climate change, the nonpartisan Legislative Analyst's Office cautioned against the idea.³⁸ The LAO noted our politicians might not be capable of spending the money impactfully.

Carbon is winning the war California declared on it

March 1, 2020

CalMatters columnist Dan Walters noted that despite spending billions in their war on climate change, Sacramento is failing to achieve its objectives.³⁹ The leading factor obstructing their efforts is vehicle emissions from idling cars in traffic and freeway congestion. Yet California politicians continue to spend gas tax revenues on everything but traffic and freeway construction. No wonder the LAO questioned the wisdom of giving Sacramento a \$1 billion loan to further fight climate change.

Healthcare

While a medical event is in and of itself a stressful situation, hospital visits are made all the worse by the paperwork and outstanding costs patients must endure to receive care. The average citizen is stuck in the mire of a broken healthcare system, bombarded with increasing premiums and out-of-pocket costs. Sacramento is currently exploring a state-takeover of healthcare through a single-payer system. But many worry that adding the expense and delay of a government bureaucracy to the already high cost of healthcare would make matters worse.

Medi-Cal for the dead

May 15, 2019

After an audit of Medi-Cal, conducted by the Office of the Inspector General, it was estimated that California made \$70.9 million in Medi-Cal payments for deceased people.⁴⁰ Of the 184 sampled payments, only six of them were paid to living, breathing patients. This occurred as the California Department of Health and Human Services (DHCS) failed to compare their Medi-Cal

eligibility list with the California Master Death File nor crosscheck Social Security numbers with the Public Health Department.

Allegations CalPERS misled seniors could cost taxpayers \$1.2 billion

June 10, 2019

Part of the advertised appeal of a CalPERS long-term care plan for seniors is the stability and support of the state that is behind CalPERS.⁴¹ However, many seniors felt they were misled when CalPERS increased the premium of their long-term care plans by 85 percent in 2015 and 2016. Seniors who paid the higher premiums or lessened their care as a result are suing for an estimated \$1.2 billion collectively.

25 Californians charged with \$150 million in health-care fraud

September 18, 2019

Twenty-five Southern California doctors and others were charged with making fraudulent billings to Medicare, Medi-Cal, private insurers, and even union health care plans.⁴² Although California taxpayers are not alone among the victims of this fraud scheme, why were systems not in place to catch the scammers sooner? The scheme lasted from January 2006 to August 2017.

Doctors and medical group CEO defrauded California, settle for \$6.7 million

October 8, 2019

Between 2006 and 2017, a Southern California based medical group, its CEO, and numerous physicians made false claims to receive millions in extra funds.⁴³ The group, with numerous offices in the region, would regularly use emergency or severe treatment codes for average, non-emergency procedures and visits. It also regularly waived co-pays and deductibles that were supposed to be collected on behalf of Medi-Cal/Medicare and billed them for procedures that were unnecessary, never done, or lacked validating documentation. The group and the government settled out of court for \$6.7 million, indicating the actual total amount of the fraud may have been much more.

Medi-Cal received funds to test 1.4 million babies for lead exposure, but forgot to do so

January 10, 2020

An audit of Medi-Cal revealed that, while the agency received taxpayer funds to test 1.4 million babies and toddlers for toxic lead exposure, they failed to actually do so.⁴⁴ Medi-Cal furthermore failed to publish facts about child lead exposure on its website.⁵³ Given the fact that it took a decade and 1.4 million babies missing their test before this oversight was noticed raises the question whether we actually want an expanded role for government in healthcare.

Infrastructure

California's high taxes have not resulted in quality infrastructure. *US News and World Report* ranks California worse than average in infrastructure quality, and the partially built "bullet train to nowhere" represents a quintessential California example of Sacramento's zeal for throwing money at poorly thought out projects, while ignoring essential needs.

San Francisco's street purgatory

June 17, 2019

The city of San Francisco has 148 miles of road that the city has decided not to take care of by "not accepting them".⁴⁵ These roads can't be found on maps that show the roads city hall has approved to maintain. Although residents of these streets pay city taxes, the city claims that these streets don't meet city standards and therefore responsibility falls upon the residents of those streets for maintenance and clean-up.

California paying for Caltrans Director's flights and rent

June 24, 2019

A Caltrans Director's San Diego to Sacramento work commute has been previously cited as wasteful, but Caltrans once again was caught paying for the same flights, at an annual cost of \$21,000 a year.⁴⁶ This doesn't include the additional thousands in reimbursed rent for a Sacramento residence, rental cars, and meals.



Audit finds major IT security flaws in state government

July 16, 2019

Personal information such as Social Security numbers, addresses, and financial information is in jeopardy due to 33 state agencies that have no information security standards, according to the State Auditor.⁴⁷ Some agencies have never even changed the default password for their security systems. Howle has called for better oversight and IT security requirements. So, the same bureaucratic apparatus that wants us to believe they will solve climate change isn't even capable of creating a secure password.

\$13 million in questionable spending at Caltrans

December 6, 2019

A new audit showed \$13 million that Caltrans shouldn't have spent, \$7.4 million of which is from the 2006 transportation bond measure that voters approved.⁴⁸ This happened due to 28 cases of misuse of resources and document falsification. Caltrans points out that none of the \$13 million is from the latest gas tax increases, but that doesn't exactly reassure taxpayers that this type of thing won't happen again.

Misuse of Gas Taxes

Despite having one of the country's highest gas taxes, California voters did not reject a 2017 gas tax increase when a repeal measure was on the ballot in 2018.⁴⁹ By a 56.8 to 43.2 percent margin, voters said yes, with Sacramento promising that the money would be used to fix the roads. Was the vote actually fair? The ballot title omitted the relevant words, "gas" and "tax," and was written by the partisan Attorney General. Because of this, a cloud hangs over the result with the unanswered question of whether it truly reflects the will of the people.

Regardless, California motorists pay far higher prices than less taxed and regulated states, like Texas. Looking back over the last year since the tax was approved, how have the funds been spent?

Oakland using gas tax money to keep street lights on

May 9, 2019

Oakland budgets \$2.9 million in state gas tax money to pay the electric bill for its street lights.⁵⁰ Any amount leftover is allocated towards Oakland's Parks and Recreation Department. That \$2.9 million of gas tax money will never go to a road or highway, proving the voters were misled by the proponents of the gas tax.

The ultimate bait-and-switch by Executive Order

October 13, 2019

In September of 2019, Governor Newsom signed an executive order redirecting the gas tax funds to instead fund railways and eco-friendly transportation projects,⁵¹ disappointing voters and fiscally responsible politicians alike.

Gas taxes trade four wheels for two wheels

November 7, 2019

While the percentage of commuters who ride a bicycle to work represents a whopping 1 percent of commuters, our political leaders are using gas tax money — money paid by drivers— to widen bike lanes by *removing* lanes meant for vehicular traffic.⁵²



Gas taxes for toll lanes on I-80

November 21, 2019

For commuters who regularly use the I-80 highway, the idea of using gas tax funds to convert existing lanes to toll lanes⁵³ is the equivalent of paying for a roof antenna for free broadcasting channels, but instead receiving a DirecTV dish with a monthly subscription bill. This is not what people were promised. This is a tax increase paid for with a tax increase.

Waste of COVID-19 Funds

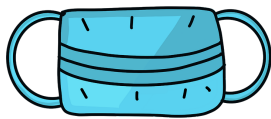
The COVID-19 (or coronavirus) pandemic has raised alarm in California and worldwide. Per normal, our state policymakers have shifted into response mode with actions that spend money carelessly and without accountability.

Governor Gavin Newsom has issued orders that businesses close and that people stay home. Governors across the country have contentiously debated the proper response to the pandemic. However, it should be clear that halting economic activity also reduces tax revenue.

When a regular family experiences a reduction in income, they usually look for ways to stretch their money further and examine what budget items they can do without. Despite facing a similar situation on a statewide basis, California and city governments continue to spend with their usual lack of restraint.

Secret \$1 Billion Chinese mask deal

April 17, 2020



Governor Newsom entered into a \$1 billion mask deal with Chinese company BYD, an electric car manufacturer.⁵⁴ The Governor's office stonewalled repeated Public Records Act requests by California lawmakers and members of the media, refusing to divulge details of the contract.

This lack of accountability caused bipartisan legislators to question what will happen if the company fails to produce the promised masks.

BYD did eventually gain safety certification for its masks but only after two missed deadlines.⁵⁵

San Francisco provides free cigarettes, alcohol, and weed to homeless quarantined in local hotel rooms

May 6, 2020

In addition to providing hotel rooms in which to shelter during the pandemic, San Francisco gave free cigarettes, alcohol, and weed to those receiving shelter.⁵⁶ While first a questionable use of resources, homeless and addiction advocates say this approach enables destructive behaviors and is counterproductive to actually helping the homeless.

\$800 million mask deal collapses

May 9, 2020

Raising further concerns about California's vetting process, an \$800 million mask deal was awarded to Alabama-based Bear Mountain Development, a company led by a former Alabama attorney general and that has ties to an influential Sacramento lobbying firm.⁵⁷ Ultimately, the company failed to deliver the promised 400 million masks and 200 million face shields.

Regarding the debacle, noted accountability advocate Senator John Moorlach lamented: “We have to figure out what is going on and why it looks so unprofessional.”

Thank goodness for the bankers ...

May 11, 2020

In the midst of their scramble to procure masks, California officials received a call offering them a deal on 100 million high quality masks conveniently just sitting in the Port of Long Beach ready for delivery.⁵⁸ The politically-connected individuals who had just founded Blue Flame Medical LLC *that very same day*, talked officials into wiring them \$500 million.



The wire transfer was only halted by suspicions raised by the bank. Later, the Legislative Analyst’s Office suggested the Legislature may want to increase oversight to prevent such events in the future.

Pay cut for thee but not for me

May 28, 2020

Across California, state and local government employees are facing pay cuts and layoffs due to budget deficits. However, those politicians under the dome in Sacramento are set to receive pay increases.⁵⁹ While they do have the option of turning down these raises, there is little indication many will. The raises they are set to receive is above and beyond California having the highest paid legislators in America.⁶⁰ This is proof that expensive doesn’t always mean better.

Los Angeles County spends nearly \$2 million on public relations contracts while making major public safety cuts

June 12, 2020

Although Los Angeles County has 49 public information officers on staff, a local news investigation found the county paid outside PR companies \$1.9 million for coronavirus-related work.⁶¹ Notably, an individual employed at one of these companies had made a maximum donation to a member of the Los Angeles County Board of Supervisors. As the investigation found L.A.’s PR expenses had soared fivefold since the beginning of the pandemic, the Sheriff’s

department was hit with \$500 million in cuts and over 4,000 inmates were released from jail and into the community.

Counting on their excellent relationship with President Trump to rescue them?

June 22, 2020

Sacramento has factored a \$14 billion bailout package from Washington into the new state budget.⁶² Such an assumption displays a remarkable lack of self-awareness. California's political leadership has made a point of thumbing its nose at the administration. Between filing 62+ lawsuits since the President took office and the Governor's declaration that California is a "nation-state," Sacramento has flaunted its "resistance" at every opportunity.^{62,63}

The notion of California receiving a bailout has already received a negative reaction both from the administration⁶⁴ and from people in other states, who point out California's abysmal record when it comes to fiscal management.^{65,66}

Conclusions

Although Californians may have varying perspectives on matters of ideology, nearly everyone agrees our taxpayer dollars should be used with the utmost care and that we should be vigilant against instances of waste, fraud, and abuse.

The *Follow the Money* report is written with that vigilance in mind highlighting cases where public funds were wasted and misused at the expense of taxpayers. The avalanche of tax proposals on ballots across our state has not lessened in recent years but has intensified.

Thomas Jefferson stated: "An enlightened citizenry is indispensable for the proper functioning of a republic. Self-government is not possible unless the citizens are educated sufficiently to enable them to exercise oversight."⁶⁷

It is incumbent upon citizen taxpayers to educate ourselves and our associates as to the situation at hand. Politicians will act with impunity unless we hold them accountable as envisioned by our country's Founders. Ultimately, the oversight that we need is not only

conducted by the State Auditor, the media, or independent watchdogs like the Jarvis organization, but by you.

Over the past decade, the Howard Jarvis Taxpayers Foundation has released numerous annual reports documenting government waste. Before *Follow the Money*, the Foundation published a similar report titled the “Piglet Book”. The fact there was never an empty report indicates that there are many more instances of waste still out there and many more that likely will be discovered in years to come.

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